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Superior Court of California
County of Los Angeles

JUN 17 2016

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7 SUPERIOR COURT OF THE STATE OF CALIFORNIA

8 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

9 BC 6 2 4 3 5 1

10 THE PEOPLE OF THE STATE OF
11 CALIFORNIA,

12 Plaintiff,

13 vs.

14 VENICE BEACH SUITES, LLC, a California
15 limited liability company; WILLIAM
16 ANDREW LAYMAN, an individual; ROSE
17 MARIE LAYMAN, an individual; and
18 MATTHEW P. MOORE, an individual; and
19 DOES 1 through 100, inclusive,

20 Defendants.

Case No.:

COMPLAINT FOR INJUNCTIVE AND
OTHER EQUITABLE RELIEF AND
CIVIL PENALTIES FOR:

1. LOS ANGELES MUNICIPAL CODE SECTION 11.00;
2. PUBLIC NUISANCE IN VIOLATION OF CIVIL CODE SECTION 3479 ET SEQ.;
3. UNFAIR COMPETITION LAW (BUSINESS AND PROFESSIONS CODE SECTION 17200 ET SEQ.); AND
4. FALSE ADVERTISING PRACTICES (BUSINESS AND PROFESSIONS CODE SECTION 17500 ET SEQ.)

COPY



1 Plaintiff, the People of the State of California, complaining of the above-named
2 Defendants, alleges as follows, which allegations are based upon information and belief insofar
3 as they pertain to the conduct of Defendants.

4 INTRODUCTION

5 1. This is a civil law enforcement action brought by the Los Angeles City Attorney's
6 Office ("City Attorney") on behalf of the People of the State of California ("People") under
7 LAMC section 11.00; California Public Nuisance Law (Civil Code, section 3479 et seq.); the
8 Unfair Competition Law (Business and Professions Code section 17200 et seq.); and, the False
9 Advertising Law (Business and Professions Code section 17500 et seq.) against Defendants,
10 seeking to bring 1305 OFW into compliance with all applicable regulations and to enjoin
11 Defendants from maintaining 1305 OFW as an illegal hotel or illegal transient occupancy
12 residential structure.

13 2. The City of Los Angeles is in the midst of a housing crisis. Average renters pay
14 nearly 47% of their income toward rent, well above the 30% of income considered affordable.
15 High rental costs, increasing demand due to population growth, expiring affordability covenants,
16 decreased funding for the production of new affordable housing units and the large scale
17 conversion of affordable and rent stabilized units into short-term rentals contribute to what is
18 now considered to be a major housing crisis in Los Angeles. A report from the Los Angeles
19 Alliance for a New Economy¹ confirms that apartment owners are evicting long-term tenants and
20 converting rent-controlled units into commercial short-term rental operations. The loss of these
21 units in the long-term rental market has driven up total housing costs for L.A. renters by more
22 than \$464 million in the last year.

23 3. Short-term rental schemes, like those described below, have created a business
24 model that relies on incentivizing landlords to illegally transform residential rental units into
25 transient, short term, tourist accommodations. The illegal conversion of rent-stabilized units
26 must end.

27 _____
28 ¹ Los Angeles Alliance for a New Economy (LAANE: A New Economy For All), Short-Term Rentals and L.A.'s
Lost Housing (Aug. 24, 2015) p. 3.

1 4. Defendants own and manage an illegal hotel or illegal transient occupancy
2 residential structure located at 1305 Ocean Front Walk in Venice, California. The structure,
3 approved as a 30-unit apartment house, is subject to the City's Rent Stabilization Ordinance² and
4 was home to long-term tenants. Defendants have emptied it of long term tenants and now fill it
5 with short-term, transient occupants. The Certificate of Occupancy issued by the City of Los
6 Angeles does not allow Defendants to operate the apartment house as a hotel or transient
7 occupancy residential structure. In fact, Defendants have and continue to operate the apartment
8 building as an illegal hotel, using the Internet to advertise the apartment units as hotel or
9 transient occupancy rooms and invite members of the public to reserve the units for transient
10 occupancy. Defendants are well aware that what they are doing is illegal. Despite having
11 received an official notice to discontinue the illegal use from the appropriate City enforcement
12 agency, Defendants persist in their unlawful use and operation of the subject property as an
13 illegal, unapproved hotel.

14 5. As a result of their illegal use, Defendants violate the City's zoning laws and
15 directly contribute to the City's lack of affordable housing by removing available housing stock
16 from the rental market.

17 6. Defendants deceive the public with their false advertisements and unfairly
18 compete against legitimate, approved hotels that must comply with necessary regulations,
19 including building and habitability laws, Fire Code requirements, parking requirements and
20 zoning requirements. Defendants further compete unfairly against legitimate hotels by
21 misleading and directing the public to their illegal hotel, thereby reducing lawful occupancies
22 and revenue from legitimate area hotels.

23 7. Defendants William Andrew Layman and Rose Marie Layman own and manage
24 the 30-unit apartment house located at 1305 South Ocean Front Walk, Venice, California, 90291
25 ("1305 OFW").³ By and through Defendant Venice Beach Suites, LLC ("VBSLLC"), William
26

27 ² Los Angeles Municipal Code ("LAMC"), section 151.00 et seq.

28 ³ 1305 OFW is more specifically described as Lot 2, Block 5 of Country Club Tract, as per Map recorded
in Book 3, Page 76 of maps in the office of the County Recorder, Assessor Parcel Number 4226-006-002.

1 Andrew Layman and Rose Marie Layman own and/or manage 1305 OFW, operating under the
2 name "Venice Beach Hotel & Suites." Defendant Matthew P. Moore ("Moore") also manages
3 1305 OFW as General Manager.

4 8. 1305 OFW is a four-story, 30-unit apartment house built in 1912. Its operative
5 Certificate of Occupancy, issued March 26, 1965 by the Los Angeles Department of Building
6 and Safety ("LADBS"), authorizes the building to be used as a "Thirty-Unit apartment house."
7 It is located in the C1 Limited Commercial Zone. (LAMC, § 12.13.) The C1 zone permits hotel
8 and transient occupancy residential structure use only if the structure proposed to be used as a
9 hotel or transient occupancy residential structure is not located within 500 feet from any A or R
10 zone. (LAMC, § 12.13(A)(1.5).) 1305 OFW is located within 500 from several RD1.5 zones,
11 which are Restricted Density Multiple Dwelling Zones. (LAMC, § 12.09.1.) Thus, 1305 OFW
12 cannot be used as a hotel or transient occupancy residential structure.

13 9. Plaintiff seeks the appointment of a receiver for 1305 OFW pursuant to Business
14 and Professions Code sections 17203 and 17535. Plaintiff also seeks award of civil penalties for
15 Defendants' past and current violations under LAMC section 11.00, subdivision (l) and Business
16 and Professions Code sections 17206 and 17536. Finally, Plaintiff seeks restitution under
17 Business and Professions Code sections 17203, 17204 and 17535 to restore to any person in
18 interest any money which Defendants acquired through unfair competition.

19 **THE PARTIES**

20 10. Plaintiff is the sovereign power of the State of California as designated by LAMC
21 section 11.00, subdivision (l); Civil Code section 3494 and Code of Civil Procedure section 731;
22 and Business and Professions Code sections 17204 and 17535. Plaintiff is the complaining party
23 in civil enforcement actions brought under these statutes and acts through the Los Angeles City
24 Attorney, Michael N. Feuer, who brings the First, Second, Third, and Fourth Causes of Action
25 pursuant to authority granted to him by law.

26 11. Defendant VBSLLC is and, at all times relevant hereto was, a limited liability
27 company organized and existing under the laws of the State of California, with its principal place
28 of business in Venice, California. According to publicly available records, VBSLLC has owned

1 1305 OFW since September 2002.

2 12. Defendant William Andrew Layman is, and at all times relevant hereto was, a
3 resident of Santa Monica, California, and the managing member of VBSLLC.

4 13. Defendant Rose Marie Layman is, and at all times relevant hereto was, a resident
5 of Santa Monica, California, and a member of VBSLLC.

6 14. Defendant Matthew P. Moore is, and at all times relevant hereto was, a resident of
7 Santa Monica, California and the General Manager of 1305 OFW.

8 15. Each of the Defendants is jointly and severally liable by act, omission, strict
9 liability, negligence, agency, respondeat superior, alter ego, or otherwise for the violations of law
10 alleged herein. At all times relevant hereto, Defendants were acting as the agents, assignees,
11 partners, joint venturers, alter egos, representatives, co-schemers, co-conspirators or employees
12 of each other, and in committing the wrongful acts and omissions alleged herein, were acting
13 within the course and scope of that agency, assignment, partnership, joint venture, alter ego
14 relationship, representation, scheme, conspiracy or employment. Each Defendant had
15 knowledge or constructive notice of the acts of every other Defendant. The allegations in this
16 Complaint apply equally to the fictitious Defendants, DOES 1 through 100.

17 16. Whenever this Complaint refers to an act or failure to act by Defendants, such
18 allegation and reference shall be deemed to mean also the act and failure to act of each
19 Defendant, whether acting individually or jointly and severally.

20 17. Defendants William Andrew Layman and Rose Marie Layman formed, used and
21 continue to use VBSLLC as a mere instrumentality and conduit through which, for their
22 convenience, they have conducted and continue to conduct their business and management of
23 1305 OFW. There has been and is a unity of interest between William Andrew Layman, Rose
24 Marie Layman and VBSLLC, which is merely an alter ego of William Andrew Layman and
25 Rose Marie Layman.

26 18. Plaintiff does not know the true names and capacities of Defendants DOES 1
27 through 100, inclusive, and therefore sues those Defendants by such fictitious names. Plaintiff
28 will amend this Complaint to insert the true names and capacities of said fictitious Defendants,

1 when ascertained. The allegations in this Complaint apply equally to the fictitious Defendants,
2 DOES 1 through 100.

3 **JURISDICTION AND VENUE**

4 19. The Court has subject matter jurisdiction over this action pursuant to LAMC
5 section 11.00; Business and Professions Code sections 17204 and 17535; Civil Code section
6 3479 et seq.; and, LAMC section 11.00.

7 20. The Court has personal jurisdiction over each of the Defendants pursuant to
8 California Constitution, article VI, section 10 and Code of Civil Procedure section 410.10
9 because each Defendant conducts substantial business in or resides in Los Angeles, California;
10 each Defendant has purposefully availed himself, herself, or itself of the benefits of doing
11 business in this City and State; Defendants' violations of law alleged herein occurred, in whole
12 or in part, in this City and State; and each registered corporate Defendant conducts substantial
13 business in the City and County of Los Angeles.

14 21. Venue for this matter lies within the County of Los Angeles pursuant to Code of
15 Civil Procedure sections 393, 395 and 395.5 because Defendants operate their business in the
16 County of Los Angeles; William Andrew Layman, Rose Marie Layman and Moore live in the
17 County of Los Angeles; and, the violations of law alleged herein occurred, in whole or in part, in
18 the County of Los Angeles.

19 **NATURE OF VIOLATIONS AND HISTORY**

20 **False Advertising**

21 22. Defendants William Andrew Layman, Rose Marie Layman, Matthew Moore and
22 VBSLLC persist in falsely advertising 1305 OFW as a hotel or transient occupancy residential
23 structure. Defendants refer to 1305 OFW the "Venice Beach Suites & Hotel" and have
24 established a website at www.venicebeachsuites.com. Through the Venicebeachsuites.com
25 website, Defendants advertise 1305 OFW as a hotel and receive bookings of the apartment
26 building's units for transient occupancy via the Internet.

27 23. The Venicebeachsuites.com website provides its contact information as "Venice
28 Beach Suites & Hotel; 1305 Ocean Front Walk, Venice, CA 90291 USA;

1 Info@VeniceBeachSuites.com; (310) 396-4559.” Members of the public can read about, view
2 pictures of and book rooms directly from the website. The website describes the different types
3 of rooms; the rooms’ amenities; allows the public to check the availability of rooms; shows the
4 prices per night; and, displays photographs of the rooms’ dimensions and furnishings.

5 24. The website’s “About Our Hotel” section contains historical information about
6 the building. “Andy Layman, Proprietor,” states: “Thank you for considering Venice Beach
7 Suites & Hotel. When you stay with us, we hope you relax, explore and ‘be as you are’, which is
8 the spirit of Venice.” Another excerpt from this section reads: “Andy & Rose Marie Layman,
9 along with their son-in-law Matt Moore, have spent the last 20 years renovating the property,
10 taking care to retain its character while introducing the modern amenities that today’s travelers
11 demand. We finished restoring our historic façade and added two common-area walk-out
12 balconies in March of 2015 and debuted our crowning achievement, our new roof-top deck, in
13 July of 2015. Our guests have been loving the enhancements.” The bottom of the page includes
14 the statement “We are proud members of the following organizations” with logos of the
15 California Lodging Industry Association; California Hotel and Lodging Association (“2014
16 Member”); American Hotel & Lodging Association; and, the California Association of Boutique
17 & Breakfast Inns.

18 25. Viewers on the “About Our Hotel” page can click on the “Make a Reservation”
19 link (“Click HERE to check available dates for the best rates... guaranteed!”) to book rooms and
20 click on the “WHAT our Guests ARE SAYING” link to read guest reviews (“Here is a sample of
21 what some of our guests have shared about our unique, beach-front lodging experience”). On the
22 “Guest Reviews” page is an icon showing that “Venice Beach Suites & Hotel” won
23 TripAdvisor’s 2014 Certificate of Excellence.

24 26. Clicking the icon’s link redirects the browser to the Tripadvisor.com website page
25 for “Venice Beach Suites & Hotel,” located at 1305 Ocean Front Walk, Venice, Los Angeles,
26 CA 90291. As of June 2, 2016, “Venice Beach Suites & Hotel” was ranked “#61 of 347 Hotels
27 in Los Angeles” and has an average rating of 4 out of 5 stars from 461 reviews. Clicking on the
28 “Hotel website” link redirects the browser back to the Venicebeachsuites.com website. The

1 “Venice Beach Suites & Hotel” page on Tripadvisor.com displays photographs of the building
2 and its surroundings; allows browsers to check room availability, compare prices and book
3 rooms; and, read guest reviews.

4 27. As of June 10, 2016, the most recent guest review of the 461 reviews was posted
5 on June 3, 2016; and, the earliest was posted almost twelve years ago on June 11, 2004. Since at
6 least July 18, 2013, Defendants have posted responses to almost every English language review
7 posted. Since February 2014, Defendants have posted responses to every review in the language
8 the review was posted.

9 28. Defendants’ website offers “24 . . . fully-furnished studios” for transient
10 occupancy. The “Our Rooms” page describes and depicts photos of “Queen Studios” on the first
11 and second floors for \$229 per night; “Partial View Queen Studios” on the third and fourth floors
12 for \$259 per night; and “Ocean Front Studio Suites” for \$349 per night. A comment from “Matt
13 Moore, General Manager” states: “Please feel free to reach out to us . . . Any question is a good
14 question when you are planning a vacation!” The “Reservations” page allows direct booking of
15 all three types of rooms (“Click [HERE](#) to check available dates for the best rates . . .
16 guaranteed!”).

17 29. The “Services” page describes “Hotel Services,” “Hotel Amenities” and “Guest-
18 Room Features.” “Hotel Services” include desk clerks (“Whether you need assistance with
19 boarding passes or bike rentals, tours or taxis, our helpful desk clerks are here for you from 9am
20 to 9pm each day”). “Hotel Amenities” include “the comforts of home in our lobby and office
21 area,” where there is a “Keurig coffee maker . . . ice machine, vending machine, a guest-use
22 computer & printer and a coin-operated washer & dryer . . . [f]ree boogie and surf boards, beach
23 towels, beach chairs, umbrellas and sports equipment are available when the urge to hit the sand
24 strikes.” “Guest-Room Features” include complimentary Wi-Fi; a smart-phone dock; premium
25 HD channels are offered on the flat-screen TV; a mini-kitchen with refrigerator, stovetop and
26 microwave; Tommy Bahama toiletries and a hair dryer in the bathroom; and, daily housekeeping
27 free of charge.

28 ///

1 30. The “Specials” page describes “Our Specials and Promotions.” As of June 2,
2 2016, the page stated: “We also have discounted specials for stays of three, five & seven nights
3 or more available until May 26th, 2016. Enter your dates on our Reservations page to see your
4 savings or feel free to call (310) 396-4559 or email info@venicebeachsuites.com. Thank you for
5 you [*sic*] interest in our boutique, beach-front hotel!” The “Bike Promotion” offers “one free
6 bike for a day or two free bikes for half-a-day.” The “Car-Free” promotion offers s 10%
7 discount for using Uber or Lyft from the airport instead of renting a car. There is a 10% discount
8 for all “Active Military.” The “Repeat Guest” promotion offers a 15% discount “for all you
9 repeat guests out there . . . It will be nice to see you again!”

10 31. Other web pages offer information specific to transient occupants. The “Photos”
11 page shows a “photo-stream . . . updated multiple times each week and we hope the photos give
12 you an idea of what our boutique hotel offers . . .” As of June 2, 2016, the most recent
13 photograph (entitled “Tuesday afternoon in Venice Beach”) was uploaded on May 31, 2016.
14 Every other photograph on the page except for one was downloaded in May 2016. The “Rooftop
15 Deck” page shows photographs of “Our Relaxing Rooftop Deck” (“It’s the best rooftop deck at a
16 beach-front hotel in L.A.”). The page includes an offer for “a complimentary guests-only happy
17 hour on Fridays & Saturdays from March through November.” The “FAQs” page has answers to
18 several frequently asked questions: “Where do we park?”; “Does your hotel have rooms with two
19 beds?”; “Is your hotel on the beach?”; “Does your hotel accept pets?”; “Can I check-in before
20 3pm or check-out after 11am?”; “Does your hotel have a roof-deck?”; “Is your hotel affiliated
21 with any other properties in Venice?”; and, “Does the hotel have an elevator?”

22 32. The “Travelers Info” page describes 1305 OFW: “Our boutique hotel offers a
23 unique lodging experience very different from most large American hotels. Here is some
24 information to help you when you arrive for your stay.” The page includes information about the
25 building’s two entrances, transportation from the airport, a notice about the lack of parking, and a
26 map of the location.

27 33. The “Privacy Policy” page states that the Venicebeachsuites.com website is “our
28 site,” which is called the “Venice Beach Suites & Hotel (VBS&H)” website. The page also

1 states that “Venice Beach Suites & Hotel and its logo are registered or common law trademarks
2 of VBS&H.”

3 34. Defendants also disseminate untrue or misleading information to the public by
4 advertising 1305 OFW as a hotel called “Venice Beach Suites & Hotel” on many other websites.
5 These include: TripAdvisor.com (\$209 to \$329 per night; 461 customer reviews since June 11,
6 2004); Expedia.com (\$209 to \$329 per night; 475 reviews since May 15, 2010); Hotels.com
7 (\$209 to \$329 per night; 273 customer reviews since February 18, 2015); Booking.com (\$209 to
8 \$329 per night; 287 customer reviews since July 1, 2014); Agoda.com (\$203 to \$319 per night;
9 25 customer reviews since December 1, 2011); Priceline.com (\$209 to \$329 per night; 46
10 customer reviews since March 6, 2012); Kayak.com (\$209 to \$329 per night; 632 customer
11 reviews since May 2015); Travelocity.com (\$209 to \$329 per night; 488 customer reviews since
12 May 15, 2010); Hotwire.com (\$209 to \$329 per night; 475 customer reviews since May 15,
13 2010); Orbitz.com (\$209 to \$329 per night; 473 customer reviews since May 15, 2010);
14 Venere.com (\$209 to \$329 per night; 273 customer reviews since February 18, 2015); and,
15 Yelp.com (49 customer reviews since July 8, 2009).

16 35. On each of these websites, Defendants describe 1305 OFW as a hotel. Some
17 examples include: Hotels.com (“This hotel has 24 rooms” and “This hotel is arranged over 4
18 floors”); Expedia.com (“Located in Venice, this beachfront hotel is on the boardwalk and within
19 a 10-minute walk of Muscle Beach Venice and Venice Beach”); Booking.com (“On the Venice
20 Beach Boardwalk, this historic hotel is just 7 miles from Los Angeles International Airport”);
21 TripAdvisor.com (“Our family-owned historic, boutique hotel has the BEST roof-top deck at a
22 beach-front hotel in L.A. and the ONLY beach-front balconies on the Boardwalk”); Expedia.com
23 (“Located in Venice, this beachfront hotel is on the boardwalk and within a 10-minute walk of
24 Muscle Beach Venice and Venice Beach”); Priceline.com (“Early 20th-century decor —
25 including vintage brick walls, hardwood oak floors and tile-floor kitchens — combine with
26 modern amenities (Wi-Fi, satellite TV, VCRs, CD players) in all 27 suites of this historic, four-
27 story hotel, built circa 1908”); Kayak.com (“This beach hotel is within close proximity of Venice
28 Fishing Pier and Original Muscle Beach”); Agoda.com (“Designed for both business and leisure

1 travel, Venice Beach Suites and Hotel is ideally situated in Venice Beach, one of the city's most
2 popular locales. A haven of rest and relaxation, the hotel will offer total renewal just steps away
3 from the city's numerous attractions such as Gold's Gym, Venice Boardwalk, and YAS");
4 Hotwire.com ("A perfect base for exploring Venice, this hotel provides laundry facilities,
5 coffee/tea in common area and tour/ticket assistance"); Venere.com ("Searching for budget
6 beachfront hotels in Venice? Consider Venice Beach Suites & Hotel . . ."); and, Orbitz.com
7 ("Venice Beach is a short stroll from Venice Beach Suites & Hotel . . .").

8 **Defendants' Knowledge of Illegality**

9 36. At all relevant times, Defendants William Andrew Layman and VBSLLC knew
10 and know that 1305 OFW may not legally be used as a hotel or transient occupancy residential
11 structure. Despite their actual knowledge that 1305 OFW cannot be lawfully operated as a hotel
12 or transient occupancy residential structure, Defendants continue to operate and maintain 1305
13 OFW as an illegal hotel or illegal transient occupancy residential structure.

14 37. Since 2005, Defendants have paid the registration or annual registration renewal
15 fee required under the Rent Stabilization Ordinance for each rent stabilized unit at 1305 OFW.
16 (LAMC, § 151.05(A)(5).)

17 38. In 1998, Defendant William Andrew Layman, as owner, applied for a building
18 permit to repair cracks in the building. In said permit application, Defendant described the
19 building's existing use as "Apartment." On June 30, 1998, the LADBS issued permit number
20 98016-30000-11886, authorizing the building's continued use as an apartment building—not as a
21 hotel or transient occupancy residential structure.

22 39. In 1999, Defendant William Andrew Layman, as owner, applied for a second
23 building permit, seeking to remodel four units. In said permit application, Defendant described
24 the building's existing use as "Apartment." On March 25, 1999, the LADBS issued permit
25 number 99016-30000-05294, authorizing the building's continued use as an apartment building.

26 40. In 1999, Defendant William Andrew Layman, as owner, applied for a third
27 building permit, seeking to replace the exterior stairs with steel stairs. In said permit, application
28 Defendant described the building's existing use as "Apartment." On March 29, 1999, the

1 LADBS issued permit number 99016-30000-00862, authorizing the building's continued use as
2 an apartment building.

3 41. In 1999, Defendant William Andrew Layman, as owner, applied for a fourth
4 building permit, seeking to remodel seven units. In said permit application, Defendant described
5 the building's existing use as "Apartment." On October 18, 1999, the LADBS issued permit
6 number 99016-30000-19667, authorizing the building's continued use as an apartment building.

7 42. In 1999, Defendant William Andrew Layman, as owner, applied for a fifth
8 building permit, seeking a general remodel. In said permit application, Defendant described the
9 building's existing use as "Apartment." On December 8, 1999, the LADBS issued permit
10 number 99016-30000-23006, authorizing the building's continued use as an apartment building.

11 43. In 2000, Defendant William Andrew Layman, as owner, applied for a sixth
12 building permit, seeking to remodel a kitchen and bathroom and to replace kitchen cabinets and
13 countertops. In said permit application, Defendant described the building's existing use as
14 "Apartment." On May 5, 2000, the LADBS issued permit number 00016-30000-08216,
15 authorizing the building's continued use as an apartment building.

16 44. In 2005, Defendants VBSLLC and William Andrew Layman, as owners, applied
17 for a seventh building permit, seeking a "residential" kitchen and bathroom remodel. In said
18 permit application, Defendants described the building's existing use as "Apartment." On March
19 30, 2005, the LADBS issued permit number 05016-30000-05556, authorizing the building's
20 continued use as an apartment building.

21 45. In 2014, Defendant VBSLLC, as owner, applied for an eighth building permit,
22 seeking to add an open roof deck above the "4-story apartment house." In such permit
23 application, Defendant described the building's existing and proposed use as "Apartment
24 House." The LADBS issued permit number 13016-10000-04649 on August 5, 2014, authorizing
25 the building's continued use as an apartment house.

26 46. In 2014, Defendant VBSLLC, as owner, applied for the most current building
27 permit, seeking to add a railing to the new roof deck and remodel the existing stairwell "to
28

1 existing apartment building.” In said permit application, Defendant described the building’s
2 existing use as “Apartment.” This permit (#08016-30000-09120) has not been issued.

3 47. On January 26, 2015, the Los Angeles Housing and Community Investment
4 Department (“HCIDLA”) issued a Notice and Order to Comply (“Order to Comply”) to
5 Defendants VBSLLC and William Andrew Layman. The Order to Comply cited Defendants for
6 violations of the LAMC for illegally changing 1305 OFW’s occupancy from residential use to
7 transient use. Specifically, HCIDLA cited Defendants for using 1305 OFW as an illegal hotel
8 for transient occupancy without obtaining a building permit and Certificate of Occupancy from
9 the LADBS. The Order to Comply directed Defendants to discontinue the unapproved use by
10 March 4, 2015. Despite having received the Order to Comply, Defendants persist in using 1305
11 OFW as an illegal hotel or as an illegal transient occupancy residential structure.

12 **Illegal Use**

13 48. Despite having been ordered to discontinue the illegal use of 1305 OFW,
14 Defendants continue to operate 1305 OFW as an illegal hotel or illegal transient occupancy
15 residential structure. On May 6, 2016, an investigator for the Los Angeles City Attorney booked
16 a room at 1305 OFW for an overnight stay. The reservation was made through the
17 Venicebeachsuites.com website. The investigator also visited the location and confirmed that the
18 location matched the photographs of 1305 OFW on the Venicebeachsuites.com website. The
19 investigator booked a one night stay: checking in on May 9, 2016, at 3:00 p.m. and checking out
20 on May 10, 2016 at 11:00 a.m. The booking cost was \$215.46.

21 49. Minutes after booking the reservation, the investigator received an email from
22 “info@venicebeachsuites.com,” with “VENICE BEACH SUITES HOTEL Confirmation 25085”
23 in the subject line. The email was entitled “Reservation Confirmation” and stated “Thank you
24 for making a reservation to stay at our historic, beach-front boutique hotel! This letter is to
25 confirm the amount of your deposit and the dates of your stay. Please feel free to contact us with
26 any questions or request . . . we are here to help!” The email showed the reservation
27 confirmation number; guest name; payment information; and reservation summary. The
28 reservation summary showed the check-in and check-out dates (May 9, 2016 and May 10, 2016);

1 room type (“Queen Studio”); number of nights (1); average daily rate (\$189.00); and check-in
2 and check-out times (3:00 p.m. to 9:00 p.m. and 11:00 a.m.). The bottom of the email read: “We
3 look forward to having you as a guest of our family-owned hotel. We know your stay here will
4 be memorable. Andy Layman, *Proprietor* & Matt Moore, *General Manager*.”

5 50. Upon arrival at 1305 OFW on May 9, 2016, the investigator was greeted and
6 checked in by the office clerk. The clerk also provided the investigator with a sheet of paper
7 with the Venice Beach Suites & Hotel logo at the top and entitled “Our Weekly
8 Recommendations.” It listed “Special Events” “within walking distance” during the week, from
9 May 8 to May 15, 2016. It also listed recommended eateries.

10 51. The investigator’s room was #304, located on the third floor. Affixed to the
11 inside of the DOOR was a sign with the Venice Beach Suites & Hotel logo at the top. The sign
12 read: “WELCOME TO VENICE BEACH SUITES & HOTEL” with the “Suite” number (304)
13 and the “Daily Rate” (\$249).

14 52. A three ring binder labeled “Guest Directory Room 304” contained guest
15 information. The first paragraph of the “Welcome!” page states: “A sincere thank you for
16 making Venice Beach Suites & Hotel your choice of accommodations!” At the bottom of the
17 page read: “Warm regards, *Andy Layman*, Proprietor[;] Venice Beach Suites & Hotel.” The
18 section entitled “Hotel Information & In-House Services” explained office hours; Internet (“Free
19 Wi-Fi is available through the hotel”); telephone; television; the roof-top deck; housekeeping and
20 laundry (“Daily Housekeeping is available free of charge every day”); and check-out time.
21 Other pages listed Venice community resources; local restaurants; points of interests; local
22 transportation; and, a list of channels available for the television.

23 53. Later that evening, the investigator received an envelope containing two letters
24 under the door. One letter was a reminder of check-out time the following day on May 10, 2016.
25 The letter also read: “Thank you for choosing Venice Beach Suites & Hotel, we look forward to
26 welcoming you back on your next visit . . . (. . . and don’t forget: as a repeat guest, you are
27 entitled to a 15% discount on all future stays when you call or e-mail us directly!).” The
28 signature block read: “Andy Layman / Proprietor – Matt Moore / Manager.” The other letter was

1 a questionnaire that began: “Thank you for staying at Venice Beach Suites & Hotel. We would
2 greatly appreciate it if you would take a few moments of your time to complete this
3 questionnaire regarding your stay.” The investigator checked out of 1305 OFW on May 10,
4 2016.

5 APPLICABLE LAWS

6 54. An extensive regulatory framework of laws govern the condition and maintenance
7 of residential rental buildings in the City. As the owners and operators of 1305 OFW,
8 Defendants have a legal duty to maintain 1305 OFW in compliance with every applicable state
9 and local law and regulation.

10 **Los Angeles Municipal Code section 11.00**

11 55. The LAMC provides that “[w]henver in this Code any act or omission is made
12 unlawful it shall include causing, permitting, aiding, abetting, suffering or concealing the act or
13 omission.” (LAMC, § 11.00(j).)

14 56. Section 11.00, subdivision (l) of the LAMC provides that: “In addition to any
15 other remedy or penalty provided by this Code, any violation of any provision of this Code is
16 declared to be a public nuisance”

17 57. LAMC section 11.00, subdivision (l) further provides that: “Violations of this
18 Code are deemed continuing violations and each day that a violation continues is deemed to be a
19 new and separate offense and subject to a maximum civil penalty of \$2,500 for each and every
20 offense.” Similarly, LAMC section 11.00, subdivision (m) provides that “each person shall be
21 guilty of a separate [criminal] offense for each and every day during any portion of which any
22 violation of any provision of this Code is committed, continued, or permitted by that person, and
23 shall be punishable accordingly.”

24 58. LAMC section 11.00, subdivision (l) declares any violation of the Code to be a
25 nuisance and authorizes Plaintiff to enforce any violation by seeking a restraining order,
26 injunction or other order or judgment in law or equity in the Superior Court. Thus, any violation
27 of the LAMC’s Zoning or Building Codes are public nuisances and continuing violations for
28 which Plaintiff may seek redress.

1 59. The Los Angeles Zoning Code, at LAMC section 12.00 et seq., consolidates and
2 coordinates “all existing zoning regulations and provisions into one comprehensive zoning plan
3 in order to designate, regulate and restrict the location and use of buildings, structures and land,
4 for agriculture, residence, commerce, trade, industry or other purposes” and “to regulate and
5 limit the height, number of stories, and size of buildings and other structures . . . to regulate and
6 limit the density of population” (LAMC, § 12.02.)

7 60. The Los Angeles Building Code, at LAMC section 91.101.2, “safeguard[s] life,
8 limb, health, property and public welfare by regulating and controlling the design, construction,
9 quality of materials, use and occupancy, location and maintenance of all buildings and structures
10 erected or to be erected within the city” (LAMC, § 91.101.2.)

11 **Rent Stabilization Ordinance**

12 61. On September 16, 1990, the Los Angeles City Council amended the LAMC’s
13 Rent Stabilization Ordinance (“RSO”) to alleviate the shortage of decent, safe and sanitary
14 housing in Los Angeles:

15 SEC. 151.01. DECLARATION OF PURPOSE.

16 There is a shortage of decent, safe and sanitary housing in the City
17 of Los Angeles resulting in a critically low vacancy factor.
18 Tenants displaced as a result of their inability to pay increased
19 rents must relocate but as a result of such housing shortage are
20 unable to find decent, safe and sanitary housing at affordable rent
21 levels. Aware of the difficulty in finding decent housing, some
22 tenants attempt to pay requested rent increases, but as a
23 consequence must expend less on other necessities of life. This
24 situation has had a detrimental effect on substantial numbers of
25 renters in the City, especially creating hardships on senior
26 citizens, persons on fixed incomes and low and moderate income
27 households. This problem reached crisis level in the summer of
28 1978 following the passage of Proposition 13. [¶] . . . [¶]

Therefore, it is necessary and reasonable to regulate rents so as to
safeguard tenants from excessive rent increases, while at the same
time providing landlords with just and reasonable returns from
their rental units. In order to assure compliance with the
provisions of this chapter violations of any of the provisions of
this chapter may be raised as affirmative defenses in unlawful
detrainer proceedings.

1 (Amended by Ord. No. 166,130, Eff. 9/16/90.)

2 62. The RSO protects tenants from excessive rent increases by regulating rents. At
3 the same time, the RSO provides landlords with just and reasonable returns from their rental
4 units. (LAMC, § 151.01.) Specifically, LAMC section 151.04(A) provides: "It shall be
5 unlawful for any landlord to demand, accept or retain more than the maximum adjusted rent
6 permitted pursuant to this chapter or regulation or orders adopted pursuant to this chapter."

7 63. LAMC section 151.06 limits the maximum rental increases allowed. Sections
8 151.06(A) and (B) provide the allowable increases for rental units with limited rent increases
9 prior to the enactment of the RSO. Section 151.06(C)(1) provides the maximum rental increase
10 for a unit where the tenancy was voluntarily vacated or where the tenancy was terminated
11 pursuant to subdivisions 1, 2, 3, 4, 9, or 13 of subsection A of section 151.09. Section
12 151.06(C)(2) provides that the maximum rent a landlord may collect upon re-renting a unit is
13 limited to the rent in effect at the time of the most recent termination of tenancy plus annual
14 adjustments available under section 151.06 depending on the circumstances of that termination.
15 Under section 151.07, HCIDLA retains the authority to grant adjustments for capital
16 improvements and other rehabilitation work.

17 64. Pursuant to LAMC section 151.09, the RSO prohibits landlords from evicting
18 tenants except when: (1) the tenant has failed to pay rent; (2) the tenant has violated a lawful
19 obligation or covenant of the tenancy and has failed to cure the violation after having received
20 written notice from the landlord; (3) the tenant is committing a nuisance, causes damage, or
21 creates an unreasonable interference with the comfort, safety, or enjoyment of any of the other
22 residents; (4) the tenant is using the rental unit for an illegal purpose; (5) the tenant, who had a
23 written lease or rental agreement with the landlord which terminated, has refused, after written
24 request or demand by the landlord to execute a written extension or renewal of the lease; (6) the
25 tenant has refused the landlord reasonable access to the unit for making repairs or improvements
26 or for inspecting or showing the unit; (7) an unapproved subtenant is in possession of the rental
27 unit at the end of the lease term; (8) the landlord seeks in good faith to recover possession of the
28 rental unit for use and occupancy as a primary place of residence by the landlord, specified

1 family members of the landlord, or a resident manager; (9) the landlord seeks in good faith to
2 recover possession to renovate the unit in accordance with a Tenant Habitability Plan (“THP”)
3 and the tenant is unreasonably interfering with implementation of the THP by failing to
4 temporarily relocate or honor a permanent relocation agreement; (10) the landlord seeks in good
5 faith to recover possession of the rental unit to either demolish the rental unit or remove it
6 permanently from rental housing use; (11) the landlord seeks in good faith to recover possession
7 of the rental unit in order to comply with a governmental agency order; (12) the Secretary of
8 Housing and Urban Development is both the owner and plaintiff and seeks to recover possession
9 in order to vacate the property; (13) the rental unit is in a residential hotel, and the landlord seeks
10 to recover possession of the rental unit in order to convert or demolish the unit; and (14) the
11 landlord seeks to recover possession of the rental unit to convert the subject property to an
12 affordable housing accommodation in accordance with an affordable housing exemption issued
13 by the Housing and Community Investment Department. (LAMC, § 151.09(A)(1)-(14).)

14 65. Pursuant to LAMC section 151.09(A)(10), a landlord may recover possession of a
15 rental unit to permanently remove it from rental housing use in compliance with the Ellis Act.

16 66. The 1985 Ellis Act permits landlords to “go out of business.” (Gov. Code, §
17 7060.7.) A landlord or owner must withdraw all of the accommodations from rent or lease.
18 (Gov. Code, § 7060.7(d).) Withdrawing fewer than all of the accommodations is illegal. (Gov.
19 Code, § 7060.7(d).)

20 67. The Ellis Act does not interfere with local government authority over land use,
21 including regulation of the conversion of existing housing to condominiums or other subdivided
22 interests or to other nonresidential use following its withdrawal from rent or lease. (Gov. Code,
23 § 7060.7(a).) Nor does the Ellis Act preempt local regulations governing the demolition and
24 redevelopment of residential properties; override procedural protections designed to prevent
25 abuse of the right to evict tenants; or (as previously mentioned) permit an owner to withdraw
26 from rent or lease fewer than all of the accommodations. (Gov. Code, § 7060.7(b)-(d).)

27 68. Provisions of the Ellis Act have been incorporated into the LAMC while
28 preserving the City’s authority to develop regulations to implement Ellis Act:

1 There continues to be a low vacancy rate for rental units in the City of
2 Los Angeles, and the withdrawal of residential rental property from rent
3 or lease will exacerbate the rental housing shortage and make it more
4 difficult for tenants displaced by the withdrawal to obtain replacement
5 housing. Because of the rental housing shortage, it is essential that
6 tenants be afforded substantial advance notice to enable them to obtain
7 replacement housing, and that they receive other protections available
8 under law.

(LAMC, § 151.22.)

9 69. If a landlord wishes to demolish or withdraw rental units subject to the RSO from
10 rental use, the landlord must comply with the provisions of LAMC section 151.23 requiring the
11 landlord to: (A) file and deliver to the HCIDLA a Notice of Intent to Withdraw (under penalty of
12 perjury) at least 120 days prior to withdrawal; (B) record with the County Recorder a
13 memorandum summarizing the provisions of the Notice of Intent to Withdraw; (C) and notify
14 each affected tenant. (LAMC, § 151.23(A)-(C).)

15 70. Tenants who are at least 62 years of age or disabled, who have lived in their
16 accommodations for at least one year before the delivery of the Notice of Intent to Withdraw,
17 have the right to extend their tenancy to one year after delivery. The tenant must give written
18 notice to the landlord of this entitlement within 60 days of the date of delivery of the Notice of
19 Intent to Withdraw. (LAMC, § 151.23(C)(5)(a).)

20 71. If a landlord desires to re-rent or re-lease a unit that was the subject of a Notice of
21 Intent to Withdraw, the landlord must file with HCIDLA a Notice of Intention to Re-Rent
22 Withdrawn Accommodation. (LAMC, § 151.24(A).) Displaced tenants who wish to renew their
23 tenancies in their former units that were withdrawn from, but are put back on, the rental market
24 may do so. The tenant must advise the landlord or owner in writing within 30 days of the
25 displacement of his or her desire to consider an offer to renew the tenancy and must furnish the
26 owner with an address to which that offer is to be directed. (Gov. Code, § 7060.2(b)(3) and
27 LAMC § 151.27(A).) If a tenant advises a landlord of the desire to re-rent a unit and the
28 landlord offers a unit for rent within two years of the withdrawal, the landlord shall offer to
reinitiate the rental agreement on terms permitted by law. (LAMC, § 121.27.) A landlord who

1 offers for rent or lease a unit that was the subject of a Notice of Intent to Withdraw within two
2 years of the date of withdrawal of unit is liable to any tenant or lessee who was displaced from
3 the property for actual and exemplary damages. (LAMC, § 151.25(A).)

4 72. If a landlord offers for re-rent or re-lease a rental unit which was the subject of a
5 Notice of Intent to Withdraw within five years after the Notice or within five years after the unit
6 was withdrawn, the landlord must file a Notice of Intention to Re-Rent Withdrawn
7 Accommodations. (LAMC, § 151.24(A).) The landlord must offer the unit at the lawful rent in
8 effect the Notice was filed. (LAMC, § 151.26(A).) The landlord shall first offer the unit to the
9 displaced tenant, provided that the tenant has requested the offer in writing within 30 days after
10 the landlord has filed the Notice of Intention to Re-Rent Withdrawn Accommodations. (LAMC,
11 § 151.27(B).) A landlord who fails to comply with these requirements is liable to the displaced
12 tenant for punitive damages. (LAMC, § 151.27(B).)

13 73. The RSO requires every landlord who accepts rent for a rental unit to procure a
14 valid registration or annual registration renewal statement from HCIDLA for each rental unit.
15 (LAMC, § 151.05(A)(5).) The fee for the registration or annual registration renewal for each
16 rental unit is twenty-four dollars and fifty-one cents (\$24.51), due on the first day of January
17 every year. (LAMC, § 151.05(B)(5).)

18 **Public Nuisance Law**

19 74. A nuisance is defined as including “[a]nything which is . . . offensive to the
20 senses, or an obstruction to the free use of property, so as to interfere with the comfortable
21 enjoyment of life or property, or unlawfully obstructs the free . . . use [of any public] street, or
22 highway” (Civ. Code, § 3479.)

23 75. A public nuisance is “one which affects at the same time an entire community or
24 neighborhood, or any considerable number of persons, although the extent of the annoyance or
25 damage inflicted upon individuals may be unequal.” (Civ. Code, § 3480.) Substandard
26 conditions, including the unapproved use of a property, fall within the definition of a public
27 nuisance as defined by Civil Code sections 3479 and 3480.

28 76. A public nuisance may be abated by indictment or information, a civil action or

1 abatement accomplished by an injunction issued by a court of equity. (Civ. Code, § 3491;
2 *Sullivan v. Royer* (1887) 72 Cal. 248, 249; *People v. Selby Smelting & Lead Co.* (1912) 163 Cal.
3 84, 90.)

4 **Nuisance Per Se**

5 77. In California, city and county legislative bodies are empowered to declare what
6 constitutes a nuisance. (Gov. Code, § 38771.) The City Attorney may bring an action to enjoin
7 or abate a public nuisance. (Code Civ. Proc., § 731.) Pursuant to LAMC section 11.00(l), any
8 violation of the Code is deemed a public nuisance which may be abated by the City Attorney on
9 behalf of the People of the State of California.

10 78. “[A]ll parties to a nuisance *per se*, he who creates it and he who maintains it, are
11 responsible for its effect, without limitations of conditions or time.” (*McClatchy v. Laguna*
12 *Lands Limited* (1917) 32 Cal.App. 718, 725.) A continuing nuisance is one which may be abated
13 at any time. (*Spar v. Pacific Bell* (1991) 235 Cal.App.3d 1480, 1485-1486.)

14 **Unfair Competition Law**

15 79. The Unfair Competition Law (“UCL”) prohibits “unfair competition,” which
16 includes “any unlawful, unfair or fraudulent business act or practice . . .” (Bus. & Prof. Code,
17 §17200.) The UCL authorizes the City Attorney to bring a civil enforcement action against any
18 person who engages, has engaged, or proposes to engage in unfair competition. (Bus. & Prof.
19 Code, § 17203.) The UCL defines “person” to include natural persons, corporations, firms,
20 partnerships, joint stock companies, associations and other organizations of persons. (Bus. &
21 Prof. Code, § 17201.)

22 80. Plaintiff may seek injunctive relief, appointment of a receiver, and restitution.
23 (Bus. & Prof. Code, §§ 17203 and 17204.) Also, when a UCL action is brought by the City
24 Attorney in the name of the People, the City Attorney may seek civil penalties of up to \$2,500
25 for each violation of the UCL or up to \$5,000 if the violation was perpetrated against a disabled
26 or elderly person. (Bus. & Prof. Code, §§ 17206 and 17206.1.) The UCL’s remedies and
27 penalties are cumulative to each other and to the remedies or penalties available under all other
28 laws in California. (Bus. & Prof. Code, § 17205.)

1 85. Plaintiff brings this action pursuant to LAMC section 11.00, subdivision (I),
2 which authorizes Plaintiff to enforce any violation of the LAMC by seeking an injunction or
3 other appropriate order in the Superior Court.

4 86. Defendants have violated the Los Angeles Zoning Code and Building Code by
5 causing, permitting, and allowing improper use of the following:

- 6 a. 1305 OFW as an illegal hotel or illegal transient occupancy residential structure
7 for transient occupancy (LAMC sections 12.10(A), 12.21.1(A)(1), 12.26(E),
8 91.109.1, 91.8105, and 91.8204); and
- 9 b. Failing to comply with an Order to Comply (LAMC section 91.103.3).

10 87. Defendants were notified in writing by HCIDLA of the aforementioned LAMC
11 violations on January 26, 2015. Notwithstanding such notice, Defendants have failed to correct
12 or cease committing the continuing violations.

13 88. Unless enjoined and restrained, Defendants will continue to maintain 1305 OFW
14 as an illegal hotel or as an illegal transient occupancy residential structure in violation of the
15 City's comprehensive zoning plan by engaging in the inappropriate use of buildings and land.
16 Said violations contribute directly to the City's lack of affordable housing by taking available
17 housing stock off the rental market; unfairly competing against legitimate area hotels; and,
18 deceiving the public with their false advertisements.

19 89. Plaintiff has no adequate remedy at law and injunctive relief is expressly
20 authorized by LAMC section 11.00, subdivision (I). Plaintiff also seeks costs incurred for
21 investigating and prosecuting this action.

22 **SECOND CAUSE OF ACTION**

23 **(Violations of Code of Civil Procedure section 731 and Civil Code sections 3479, 3480)**

24 **(By Plaintiff against Defendants and DOES 1 through 100)**

25 90. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 89 of
26 this Complaint as if set forth fully herein.

27 91. Plaintiff brings this action pursuant to Code of Civil Procedure section 731 to
28 abate a public nuisance.

1 92. Defendants have caused and maintained a continuing public nuisance at 1305
2 OFW since at least June 2004 and each day thereafter until the present time. Through their
3 continued operation of 1305 OFW in violation of the Los Angeles Zoning and Building Codes,
4 Defendants maintain 1305 OFW as a public nuisance as defined by LAMC section 11.00
5 subdivision (l). Thus, Defendants' continuing illegal acts are continuing public nuisances under
6 the LAMC and Civil Code, as defined in Civil Code sections 3479 and 3480.

7 93. These continuing nuisance conditions at 1305 OFW adversely affect the
8 immediate and adjoining neighborhoods, as well as the entire community. The ongoing illegal
9 operation of 1305 OFW violates the City's comprehensive zoning plan by engaging in the
10 inappropriate use of buildings and land resulting in the loss of affordable rental housing stock;
11 competes unfairly against legitimate area hotels; and, deceives the public with their false
12 advertisements.

13 94. Defendants were notified of the aforementioned nuisance conditions by written
14 notice from HCIDLA on January 26, 2015. Notwithstanding such notice, Defendants continue to
15 illegally operate 1305 OFW, thereby maintaining the nuisance conditions.

16 95. Unless Defendants are restrained by order of this Court, Defendants will continue
17 to maintain 1305 OFW in the above-described nuisance condition, thereby causing irreparable
18 injury and harm to the public's health and welfare.

19 96. Plaintiff has no adequate remedy at law and injunctive relief is expressly
20 authorized by Code of Civil Procedure sections 526 and 731.

21 97. If it becomes necessary for Plaintiff to correct the violations or abate the nuisance
22 at 1305 OFW, Plaintiff will incur substantial costs. Thus, Plaintiff requests recovery of its costs
23 to correct these violations or abate the nuisance and establishment of priority liens on 1305 OFW
24 for such costs.

25 ///
26 ///
27 ///
28 ///

THIRD CAUSE OF ACTION

(Violations of Business and Professions Code section 17200 et seq.)

(By Plaintiff against Defendants and DOES 1 through 100)

98. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 97 of this Complaint as if set forth fully herein.

99. Plaintiff brings this cause of action pursuant to Business and Professions Code section 17204 to enjoin Defendants' engaging in unfair competition by their unlawful, unfair or fraudulent business acts or practices.

100. Defendants have violated and continue to violate the UCL (Business and Professions Code section 17200 et seq.) by:

- a. Illegally converting 1305 OFW from its approved use as an apartment house to its current unapproved use as a hotel (self-styled as "Venice Beach Suites & Hotel") or as a transient occupancy residential structure in violation of LAMC sections 12.10(A), 12.26(E), 91.109.1, 91.8105, and 91.8204; and
- b. Falsely advertising 1305 OFW and Venice Beach Suites & Hotel as a purported hotel or transient occupancy residential structure in order to induce the public to believe that 1305 OFW and Venice Beach Suites & Hotel is a legal hotel or transient occupancy residential structure available for transient occupancy. Defendants have made or disseminated or caused to be made or disseminated statements before the public in every state and across the world, advertisements over the Internet concerning 1305 OFW and Venice Beach Suites & Hotel as a purported hotel or transient occupancy residential structure that that were and are untrue or misleading and which were and are known by Defendants to be untrue or misleading, in violation of Business and Professions Code section 17500; and
- c. Renting residential rooms at 1305 OFW and Venice Beach Suites & Hotel as hotel or transient occupancy rooms, in violation of LAMC sections 12.10(A), 12.26(E), 91.109.1, 91.8105, and 91.8204.

1 98. On January 26, 2015, Defendants were notified by HCDLA that use of 1305
2 OFW as a hotel or transient occupancy residential structure violated the LAMC. Yet,
3 Defendants have not corrected the violations nor have they indicated to Plaintiff any intention to
4 permanently correct these violations.

5 99. Defendants' acts of unfair competition present a continuing threat to the public
6 and Plaintiff has no adequate remedy at law. Accordingly, unless the Defendants are
7 permanently enjoined and restrained by order of this Court, they will continue to commit acts of
8 unlawful and unfair competition, and thereby continuing to cause irreparable harm and injury to
9 the public.

10 **FOURTH CAUSE OF ACTION**

11 **(Violations of Business and Professions Code section 17500 et seq.)**

12 **(By Plaintiff against Defendants and DOES 1 through 100)**

13 100. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 99 of
14 this Complaint as if set forth fully herein.

15 101. Plaintiff brings this cause of action pursuant to Business and Professions Code
16 section 17500 et seq. to enjoin Defendants' acts of false advertising.

17 102. Defendants have engaged in false advertising, holding themselves out as
18 legitimate hotel or transient occupancy residential structure operators, to induce the public to
19 believe that 1305 OFW is a hotel or transient occupancy residential structure, and to rent rooms
20 at 1305 OFW, by making or disseminating or causing to be made or disseminated from
21 California, before the public in every other state and across the world, advertisements over the
22 Internet with statements describing 1305 OFW as a purported hotel or a transient occupancy
23 residential structure and the renting of rooms at 1305 OFW that were and are untrue or
24 misleading and which were and are known by Defendants to be untrue or misleading.

25 103. Defendants have advertised and continue to advertise 1305 OFW as a hotel or
26 transient occupancy residential structure on various Internet websites. Defendants' false
27 advertising is likely to deceive the public. Indeed, Defendants' false advertising has actually
28

1 deceived the general consuming public or targeted consumers such that some have suffered
2 actual loss.

3 104. In defiance of the Los Angeles Zoning Code and Building Code and the
4 regulatory agencies charged with enforcing them, Defendants persist in falsely advertising 1305
5 OFW as a hotel or transient occupancy residential structure such that Plaintiff has no adequate
6 remedy at law. Unless Defendants are permanently enjoined and restrained by order of this
7 Court, they will continue to commit acts of false advertising and continue to cause irreparable
8 harm and injury to the public.

9 **PRAYER FOR RELIEF**

10 Wherefore, Plaintiff prays for judgment against Defendants and DOES 1 through 100,
11 and each of them, as follows:

12 **AS TO THE FIRST CAUSE OF ACTION**

13 1. That the Court find that Defendants and their agents, heirs, successors, officers,
14 employees and anyone acting on their behalf have violated LAMC section 11.00 et seq.

15 2. That Defendants and their agents, heirs, successors, officers, employees and
16 anyone acting on their behalf be held jointly and severally liable for all penalties and other relief
17 awarded in favor of Plaintiff and against Defendants.

18 3. That Defendants and their agents, heirs, successors, officers, employees and
19 anyone acting on their behalf be ordered to pay Plaintiff's abatement costs, re-inspection fees,
20 administrative penalties, and civil penalties in the amount of \$2,500 per day for each and every
21 violation, pursuant to LAMC section 11.00(l).

22 **AS TO THE SECOND CAUSE OF ACTION**

23 4. That 1305 OFW, together with the fixtures and moveable property therein and
24 thereon, be declared a public nuisance and be permanently abated as such in accordance with
25 Civil Code sections 3479 and 3480.

26 5. That the Court find that Defendants and their agents, heirs, successors, officers,
27 employees and anyone acting on their behalf have owned, operated, maintained, and managed
28 1305 OFW in a manner constituting a public nuisance.

1 6. That the Court grant a permanent injunction, order of abatement, and judgment in
2 accordance with Civil Code section 3491, enjoining and restraining Defendants and their agents,
3 heirs, successors, officers, employees and anyone acting on their behalf from owning, operating,
4 maintaining, and managing 1305 OFW as a public nuisance, and to bring 1305 OFW into
5 compliance with all applicable State and local regulations.

6 7. That Defendants and their agents, heirs, successors, officers, employees and
7 anyone acting on their behalf be held jointly and severally liable for all penalties and other relief
8 awarded in favor of Plaintiff and against Defendants.

9 **AS TO THE THIRD CAUSE OF ACTION**

10 8. That the Court find that Defendants and DOES 1 through 100, their successors,
11 agents, representatives, employees and all persons who act in concert with them have engaged in
12 unfair competition.

13 9. That the Court grant a permanent injunction and order of abatement enjoining and
14 restraining Defendants, DOES 1 through 100, their agents, heirs, successors, officers, employees
15 and anyone acting on their behalf from engaging in unfair competition and from owning,
16 operating, maintaining, and managing 1305 OFW in an unlawful condition, as defined by
17 applicable laws and regulations.

18 10. That the Court appoint a receiver to take charge of 1305 OFW, with all powers
19 and duties permitted by law.

20 11. That upon the discharge of the receiver, Defendants, DOES 1 through 100, their
21 agents, heirs, successors, officers, employees and anyone acting on their behalf, be required to
22 maintain 1305 OFW in full compliance with all State, County, and City laws.

23 12. That Defendants, DOES 1 through 100, their agents, heirs, successors, officers,
24 employees and anyone acting on their behalf, be adjudged jointly and severally liable and
25 assessed the maximum civil penalty of \$2,500 for each violation of the UCL that they
26 committed, caused, maintained, permitted, and conspired to commit relating to 1305 OFW that
27 they owned, managed, and/or had an interest in during the relevant four year time period.

28 ///

1 13. That Defendants and DOES 1 through 100 be ordered to make direct restitution of
2 any money or other property that may have been acquired as a result of their unlawful and unfair
3 business acts and practices related to 1305 OFW.

4 14. That Defendants, Does 1 through 100, and their agents, heirs, successors, officers,
5 employees and anyone acting on their behalf be held jointly and severally liable for all penalties,
6 restitution and other relief awarded in favor of Plaintiff and against Defendants.

7 **AS TO THE FOURTH CAUSE OF ACTION**

8 15. That the Court find that Defendants and DOES 1 through 100, their successors,
9 agents, representatives, employees and all persons who act in concert with them have engaged in
10 false advertising.

11 16. That the Court grant a permanent injunction and order of abatement enjoining and
12 restraining Defendants, DOES 1 through 100, their agents, heirs, successors, officers, employees
13 and anyone acting on their behalf from engaging in false advertising and from owning, operating,
14 maintaining, and managing 1305 OFW in an unlawful manner, as defined by applicable laws and
15 regulations.

16 17. That Defendants, DOES 1 through 100, their agents, heirs, successors, officers,
17 employees and anyone acting on their behalf, be adjudged jointly and severally liable and
18 assessed the maximum civil penalty of \$2,500 for each violation of the False Advertising Law
19 that they committed, caused, maintained, permitted, and conspired to commit relating to 1305
20 OFW that they owned, managed, and/or had an interest in during the relevant four year time
21 period.

22 18. That Defendants, Does 1 through 100, and their agents, heirs, successors, officers,
23 employees and anyone acting on their behalf be held jointly and severally liable for all penalties,
24 restitution and other relief awarded in favor of Plaintiff and against Defendants.

25 **AS TO ALL CAUSES OF ACTION**

26 19. That Plaintiff recovers the amount of the filing fees and fees for the service of
27 process or notices which would have been paid but for Government Code section 6103.5,
28 designating it as such and, that the fess, at the Court's discretion, may include the amount of the

1 fees for certifying and preparing transcripts.

2 20. That the Court issue orders to Plaintiff to record the lis pendens, issue an Order
3 Appointing the Receiver, Permanent Injunction, Abatement Order, and Judgment with the Los
4 Angeles County Recorder.

5 21. That the Court grants Plaintiff such other and further relief as the Court deems
6 just and proper.

7
8 Dated: June 17, 2016

Respectfully submitted,

9 MICHAEL N. FEUER, City Attorney
10 TINA HESS, Assistant City Attorney
11 ANDREW K. WONG, Deputy City Attorney
12 OFFICE OF THE LOS ANGELES CITY ATTORNEY
13 CRIMINAL BRANCH
14 SPECIAL LITIGATION SECTION

15 By: _____

16 ANDREW K. WONG
17 Attorneys for Plaintiff,
18 The People of the State of California
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